

NEWS RELEASE

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For Immediate Release

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**FORMER BANK PRESIDENT SENTENCED FOR
FALSE STATEMENT TO BANK AND TAX CHARGES**

Edward E. McNally, United States Attorney for the Southern District of Illinois, announced on January 20, 2006 that **MARK REPKING**, age 46, of Godfrey, Illinois, was sentenced to one day imprisonment, with a \$100,000 criminal fine, a \$75,000 forfeiture, 900 hours of community service, and 3 years of supervised release, including electronic monitoring.

Previously, on October 14, 2005, **REPKING** pled guilty in the United States District Court for the Southern District of Illinois to a felony charge of making a false statement to a bank in violation of Title 18, Section 1005 of the United States Code and a felony charge of making a false statement in a tax return in violation of Title 26, Section 7206(1) of the United States Code. The United States at the sentencing had made a recommendation of 24 months imprisonment.

Pursuant to the Plea Agreement and Stipulation of Facts, **REPKING** admitted that he was the President of a bank that was insured by the Federal Deposit Insurance Corporation. Without authority from the Directors of the bank, **REPKING** knowingly and with the intent to injure, defraud, and deceive the bank and others, made and caused to be made a false entry in the books, reports, and statements of the bank, in that defendant created and caused to be created an account statement showing that a bank customer had a balance of \$350,297.26 available for withdrawal from a certain account, when in truth and in fact, as the defendant well knew, that customer did not have \$350,297.26 available for withdrawal from that account.

REP KING admitted that he knew that the false account statement of the bank would be used by the customer to create a financial statement that overstated and materially misrepresented the customer's personal and corporate assets, and that the customer intended to use that financial statement to ultimately obtain construction bond coverage for corporate projects.

REP KING further admitted that in Spring 2003, the customer began to overdraft his checking account at the bank, eventually writing unfunded checks worth over \$500,000. Initially, **REP KING** concealed the overdrafts, then manipulated both his personal finances and the bank's finances to cover some of the customer's overdrafts. When the bank became aware of the Government's investigation, **REP KING** resigned from the bank. Eventually, defendant reached a financial settlement with the bank, and signed a loan agreement with the customer regarding the overdrafts.

Beyond the false account statement paperwork with the customer discussed above, **REP KING** further admitted that he engaged in a series of unauthorized financial transactions with bank funds starting in 1999, secretly using bank funds to pay many of his personal expenses, including additions and improvements to a vacation home in Florida, furniture for his home, meals, and other personal expenses. **REP KING** admitted that the unauthorized expenses and losses to the bank exceed \$400,000, and included:

- \$51,025 in petty cash withdrawals from bank funds, most of which are documented in bank records only as "cash" or by listing **REP KING** as the payee;
- \$138,055 worth of personal credit card payments;
- \$218,272 worth of outgoing funds distributed from an account entitled "Cashier's Check #2";
- \$209,962 worth of outgoing funds, including but not limited to automatic deductions to pay credit card bills, all distributed from a development bank account controlled by **REP KING**.

Further, **REP KING** admitted to willfully making and subscribing to a United States Individual Tax Return, Form 1040, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Director, Internal Revenue Service Center, at Kansas City, Missouri, which said tax return he did not believe to be true and correct as to every material matter in that the said tax return indicated that he jointly received an amount certain as specified in the tax return in taxable income for the year 2001, whereas, as he then and there well knew and believed, the taxable income was a false and understated amount.

As a result of the plea, **REP KING** also consented to an Order of Prohibition from Further Participation pursuant to Section 8(e) of the Federal Deposit Insurance Act, 12 U.S.C. § 1818(e), by entering into a Stipulation and Consent to the Issuance of an Order of Prohibition from Further Participation with the Federal Deposit Insurance Corporation. The case was investigated by the United States Secret Service and the Internal Revenue Service. The case was prosecuted by Special Assistant United States Attorney Andrew J. Lay.

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